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**EDWARD R. ROYBAL
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LOS ANGELES FEDERAL BUILDING

Introduction

Executive Summary

During the year 2001, our Court overcame several difficult obstacles including a reduction in work force, the California energy crisis, and the September 11 attack on our Country to achieve our mission in the administration of justice. In spite of these circumstances, our Court advanced its commitment to customer service and greater operational effectiveness. Among the highlights for the year 2001 were:

- **Court Receives Two Public Service Image Awards**

The Court received two awards at the 2001 Annual Public Service Image Awards. The Public Service Image Awards, sponsored by the Federal Executive Board of Greater Los Angeles, recognize public agencies that epitomize the highest standard of customer service. The first award recognized the Court for the establishment of *pro bono* programs in all five divisions. The second award acknowledged the Court's dramatic improvement in the nationwide *Bankruptcy Program Indicators*. [See page 17.]

- **Pro Bono Services Now Available in All Divisions**

By the end of the year 2001, *pro bono* services were made available to qualified individuals in all five divisions. The programs, staffed by volunteer attorneys, offer debtors a wide range of services. It is estimated that approximately 6,400 *pro se* debtors have been offered assistance with their cases since the inception of the programs. [See page 11.]

- **Chapter 11 Procedures Streamlined**

After obtaining input from bankruptcy practitioners throughout the district, a committee of bankruptcy judges and attorneys developed revised procedures governing chapter 11 bankruptcy cases filed in the district. The committee designed the procedures to increase uniformity and efficiency in the administration of chapter 11 cases within the district. [See page 9.]

- **Six Bankruptcy Judges Reappointed**

In December 2001, the Ninth Circuit Court of Appeals announced the reappointment of six judges to the Bankruptcy Court for the Central District of California. They are Judges Arthur M. Greenwald, Robin L. Riblet, Alan M. Ahart, Kathleen T. Lax, Vincent P. Zurzolo, and Mitchel R. Goldberg. All received their initial appointments in 1988. [See page 10.]

- **Sheri Bluebond Selected as a Bankruptcy Judge**

On January 17, 2001, Chief Judge Mary M. Schroeder of the U.S. Court of Appeals for the Ninth Circuit announced the selection of Sheri Bluebond as a bankruptcy judge for the Central District of California in the Los Angeles Division. Judge Bluebond's appointment commenced on February 1, 2001. [See page 10.]

- **Judge Ryan Selected as Presiding Judge of Bankruptcy Appellate Panel**

On October 3, 2001, Judge John E. Ryan was selected as the presiding judge of the Ninth Circuit Bankruptcy Appellate Panel. He succeeded Judge Barry Russell, who had served on the BAP since 1988 and as presiding judge since 1999. Judge Ryan assumed the role as presiding judge on January 1, 2002. [See page 11.]

- **Central District's Case Processing Performance Continues to Excel**

Based on 16 measures in the *Bankruptcy Program Indicators* published by the Administrative Office of the United States Courts, the Court ranked second of the 90 bankruptcy courts in the nation for the 12-month period ending December 31, 2001. This performance represents a remarkable turnaround that began in 1993, when the Court ranked 87th in the nation. [See page 34.]

- **Quality of New Petition Data Entry Improves**

The data entry error rate for new petitions decreased during 2001, when compared to the previous year. Through December 2001, the error rate for the district improved 29% over the year 2000 error rate. [See page 26.]

- **PACERnet Successfully Debuted in the Central District**

On July 1, 2001, PACERnet became available for public use in the Central District. PACERnet provides a web-based alternative to webPACER (a dial-up system) for accessing online case information. PACERnet offers customers a number of advantages over the webPACER system. Unlike webPACER, PACERnet is billed per page rather than per minute, making it more cost-effective for the customer. PACERnet also provides a user-friendly and intuitive interface for the customer. The public quickly accepted this new method of accessing case information online. [See page 18.]

- **Print-for-Fee Program Commences**

The Court implemented the Print-for-Fee program in every division in early 2001. The Print-for-Fee program enables the public to automatically request a printed copy of a document in an online case file without the assistance of Clerk's Office staff. The program eliminates the need for customers to personally request copies from Court staff, which saves customers time and reduces the staff's workload. [See page 31.]

- **Time-to-Image/Docket Performance Excels**

Throughout 2001, 90.4% of all documents throughout the district were docketed within one day of filing. In addition, 90.1% of all items were imaged within one day from the date they were docketed. This fast turnaround provides the public with quick access to case information and contributed to the widespread public acceptance of online case files. [See page 37.]

- **Court Establishes New Building Security Measures**

In response to the security issues raised by the September 11 terrorist attacks and the subsequent anthrax mailing threat, the Clerk's Office undertook several measures to ensure the safety of both the staff and the public. The new initiatives included increased building security at all five divisions. Additional measures included the provision of training and instructions in how to handle various emergency situations (e.g., anthrax, building evacuations), the purchase and distribution of safety supplies, and revised emergency manuals to ensure the Court can act swiftly in the event of an emergency. [See page 22.]

- **Bankruptcy Filings Increased in 2001**

The downward trend in bankruptcy filings experienced since 1999 was reversed during 2001. A total of 87,374 new bankruptcy cases were filed in 2001, representing a 9.4% increase over the 79,901 filings in 2000. The increase in filings primarily resulted from an increase in chapter 7 filings, which rose by more than 14% during 2001. Chapter 11 filings increased slightly by 1.6%, while filings under chapter 13 decreased by 9.6%. [See page 43.]

- **Pending Caseload Remained at Low Level**

The Court's pending bankruptcy caseload remained at low levels during 2001, despite a 9.4% increase in filings during the year. As of December 31, 2001, the Court had 46,001 bankruptcy cases pending, an increase of only 5.7% over the 43,517 cases pending at the end of 2000. This represents nearly 55% fewer cases than the record 103,207 cases pending at the end of August 1992. [See page 36.]

- **Long Range Plan Modified**

The Board of Judges approved a modified Long Range Plan for the Court in September 2001. The Plan was substantially updated to better reflect the current goals and objectives of the Court, in light of dwindling resources and new technology. [See page 67.]

- **Court Completed Staff Restructuring**

In response to the decrease in the fiscal year 2001 budget, particularly the amount allocated for staff salaries, the Court was forced to reorganize and downsize its Clerk's Office staff. Many employees were reclassified into jobs which more accurately portrayed the person's skills. Additionally, the Court offered assistance to the displaced employees by opening a temporary Career Transition Center. The reorganization was successfully completed during the first quarter of 2001. [See page 23.]

- **Use of Video Conference Hearing Technology Expanded**

The Clerk's Office installed new cabling and infrastructure to improve support for video hearings in all five divisions. The new equipment also improved the ability of judges to conduct regularly scheduled hearings for an assigned caseload from another division. [See pages 31 and 32.]

- **ASPI Sound Systems Installed District-Wide**

To improve communications during video and teleconferencing, the Court replaced its Gentner sound system with a new ASPI system in selected courtrooms in all five divisions. The new system features digital echo canceling and audio pollution technology that eliminates distracting feedback and automatically adjusts sound volumes, thereby improving the sound quality of video proceedings. [See page 33.]

- **Court Developed Power Outage Plans**

In response to the California energy crisis, each division developed a *Power Outage Action Plan*. The plans outlined procedures for minimizing damage to both equipment and data in the event of a prolonged power outage and also the steps necessary for quickly restoring Court operations. [See page 22.]

- **Participants Continue Accolades for the Court's Mediation Program**

Introduced in 1995, the Bankruptcy Court's Bankruptcy Mediation Program is believed to be the largest program of its type in the nation. The overall success of the program is demonstrated by the responses to the participant satisfaction survey, in which 93% of the respondents stated they would use the program again. [See page 13.]



MISSION OF THE COURT

The mission of the United States Bankruptcy Court for the Central District of California is to serve the public by:

- ♦ Resolving matters referred to the Court in a just, efficient, and timely manner
- ♦ Supplying prompt and accurate information
- ♦ Responding fairly and courteously to the needs of the entire community
- ♦ Providing leadership in the administration of justice in the bankruptcy system

In fulfilling our mission, the Court recognizes the importance of:

- ♦ Demonstrating respect for the dramatic impact that bankruptcy has on the lives of our customers
- ♦ Instilling confidence in the competence, impartiality, and ethics of the entire Court

The Bankruptcy Judges of the Central District of California

Photo not available
for public viewing

TOP ROW (FROM LEFT):

ALAN M. AHART, ARTHUR M. GREENWALD, ERNEST M. ROBLES, DAVID N. NAUGLE, JOHN E. RYAN,
VINCENT P. ZURZOLO

CENTER ROW (FROM LEFT):

BARRY RUSSELL, MITCHEL R. GOLDBERG, ROBERT W. ALBERTS, LYNNE RIDDLE, KATHLEEN P. MARCH,
THOMAS B. DONOVAN, SAMUEL L. BUFFORD, JAMES N. BARR

FRONT ROW (FROM LEFT):

MEREDITH A. JURY, ELLEN CARROLL, ERITHE A. SMITH, GERALDINE MUND (CHIEF JUDGE),
ROBIN L. RIBLET, LISA HILL FENNING (RESIGNED), KATHLEEN T. LAX

NOT PICTURED:

SHERI BLUEBOND

Table 1
Central District of California Bankruptcy Court *Pro Bono* Programs: 2001

Division	Date Program Introduced	Debtors Offered Discharge-ability Assistance	Debtors Provided with Discharge-ability Assistance	Debtors Offered Reaffirmation Agreement Assistance	Debtors Provided Reaffirmation Agreement Assistance
Los Angeles	10/97	1,200	144	329	600
San Fernando Valley	10/97	510		378	
Santa Ana	11/99	N/A	N/A	126	114
Northern	9/00	N/A	N/A	87	87
Riverside	4/01	425	9	N/A	N/A
Total		2,135	153	920	801

Riverside Division

In April 2001, the Riverside Division initiated a *pro bono* program coordinated by the Public Service Law Corporation to assist *pro se* debtors in § 523 and § 727 adversary proceedings. Four hundred twenty-five debtors were offered, and nine accepted, dischargeability assistance by volunteer local attorneys during the nine months the program operated during 2001.

Los Angeles/San Fernando Valley Divisions

In the Los Angeles and San Fernando Valley divisions, a *pro bono* program known as the Debtor Assistance Project (DAP) was established in 1997 by the Los Angeles County Bar Association's Commercial Law and Bankruptcy Section and Public Counsel, a not-for-profit legal organization, with the assistance and cooperation of the judges. For debtors meeting certain eligibility requirements, this program provides free legal assistance in the preparation of a chapter 7 bankruptcy petition and also representation in § 523 dischargeability adversary proceedings. Additionally, volunteer attorneys also provide free legal assistance to *pro se* debtors to ensure that they fully understand the legal impact of the Court approving their requests for reaffirmation agreements.

Information about the DAP is prominently featured on the Court's web site, including program-related public notices, educational materials on reaffirmation agreements in both English and Spanish, and training and sign-up materials for attorneys interested in volunteering for the program. The training materials include a brief overview of bankruptcy law and procedure, and also of the issues that might arise when representing low income chapter 7 debtors. Since its inception, over 200 attorneys have volunteered their services under the program.

Santa Ana Division

Through the joint efforts of the Orange County Bar Association, the Orange County Bankruptcy Forum, the Orange County Public Law Center, and the division's judges and clerks, a *pro bono* program was established in the Santa Ana Division in 1999. The program, which was modeled after a similar program established in the Los Angeles and San Fernando Valley divisions, was designed to help *pro se* debtors better understand their rights prior to reaffirmation agreement hearings. Each month, judges in the Santa Ana Division consolidate their reaffirmation agreement hearings into one calendar to afford volunteer attorneys an opportunity to provide these debtors counseling one hour before the hearings. The judges in the division hear these matters on a rotating basis from month to month.

Northern Division

The Northern Division's *pro bono* program is handled by two local attorneys who alternate counseling debtors. The two attorneys attend Judge Riblet's monthly reaffirmation agreement calendar. Before the hearings begin, the volunteer attorney makes an announcement in the courtroom that he is available to consult with any *pro se* debtors who want assistance. Debtors interested in the service then meet with the attorney for consultation in a conference room prior to their hearings.

Bankruptcy Mediation Program Assists the Court and Litigants

Recognizing that formal litigation of disputes in bankruptcy cases and adversary proceedings frequently imposes significant economic burdens on parties and often delays resolution of those disputes, the Court established an Alternative Dispute Resolution (ADR) Program in 1995 that is believed to be the largest of its type in the nation. The Mediation Program for Bankruptcy Cases and Adversary Proceedings, commonly known as the "Mediation Program," enables parties to resolve their disputes more quickly, at less cost, and without the stress and pressure associated with litigation. Currently, over 200 mediators participate in this program. Mediators are required to complete a minimum of 30 hours of mediation training and agree to provide one day of mediation at no charge each quarter.

As of December 31, 2001, 2,355 matters have been assigned to the Mediation Program since its introduction. Of the matters assigned, 2,245 matters have been concluded while 110 remain pending. Of the 2,245 completed matters, 1,420 (63%) were settled and 825 (37%) were not settled. Matters not settled resume litigation and are decided by a bankruptcy judge. Below are some key statistics regarding the Mediation Program since its inception:

Table 2
Central District of California - Bankruptcy Court
Mediation Program Statistics through December 31, 2001

Total number of matters assigned to ADR since July 1995	2,355
Total number of matters concluded 1,420 matters settled (63%) 825 matters not settled (37%)	2,245
Current number of pending matters	110
Number of mediators	205
Number of employees needed to administer the project	3



A computer program developed in-house tracks all matters assigned to the Mediation Program, monitors the mediators' assignments and availability, and generates numerous types of statistical reports almost instantly by such categories as individual judge, division, chapter, matter description, and status of matter.

A comprehensive questionnaire enables the Court to determine the participants' perception of the Mediation Program. Data from these questionnaires are analyzed using a statistics software program. Of the questionnaires mailed to parties and attorneys who have attended mediation conferences, 2,133 completed questionnaires have been returned to the Court (representing a return rate of approximately 36%, which is considered excellent in view of the fact that questionnaires are anonymous and voluntarily submitted). Data from the completed questionnaires are outlined in Table 3 below.

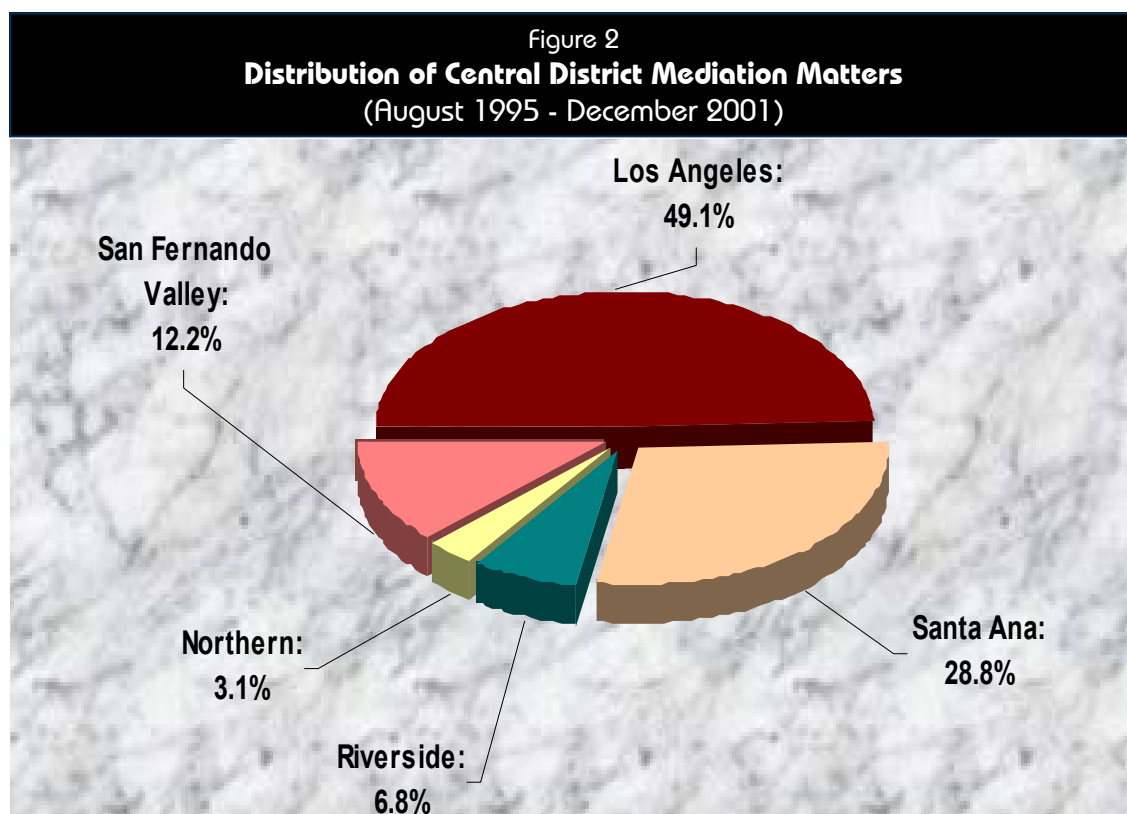
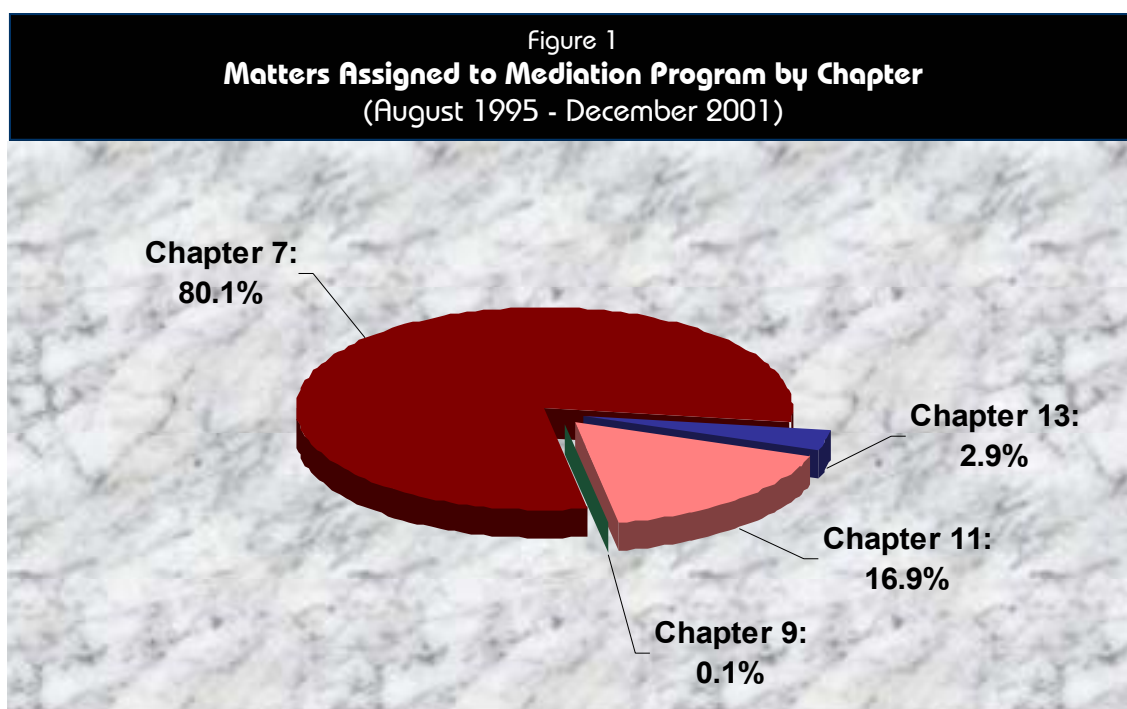
Table 3
Participant Satisfaction with Mediation Program as of December 31, 2001

Respondents satisfied with the mediation process.	83%
Respondents who would use the Mediation Program again.	93%
Respondents who considered their settlement fair.	81%
Respondents who believed parties will comply with settlement.	87%
Respondents who believed mediator was effective in encouraging clients to engage in meaningful negotiations.	84%
Respondents who believed mediator was effective in getting the attorneys to engage in meaningful negotiations.	85%

The Central District continues to benefit from the Mediation Program, enabling judges to focus on matters truly requiring judicial intervention. The Mediation Program also provides the judiciary with much-needed data demonstrating that mediation can resolve cases more quickly and at less cost, while reducing the stress and pressure of litigation. The program also provides a model for implementing other successful programs throughout the United States.



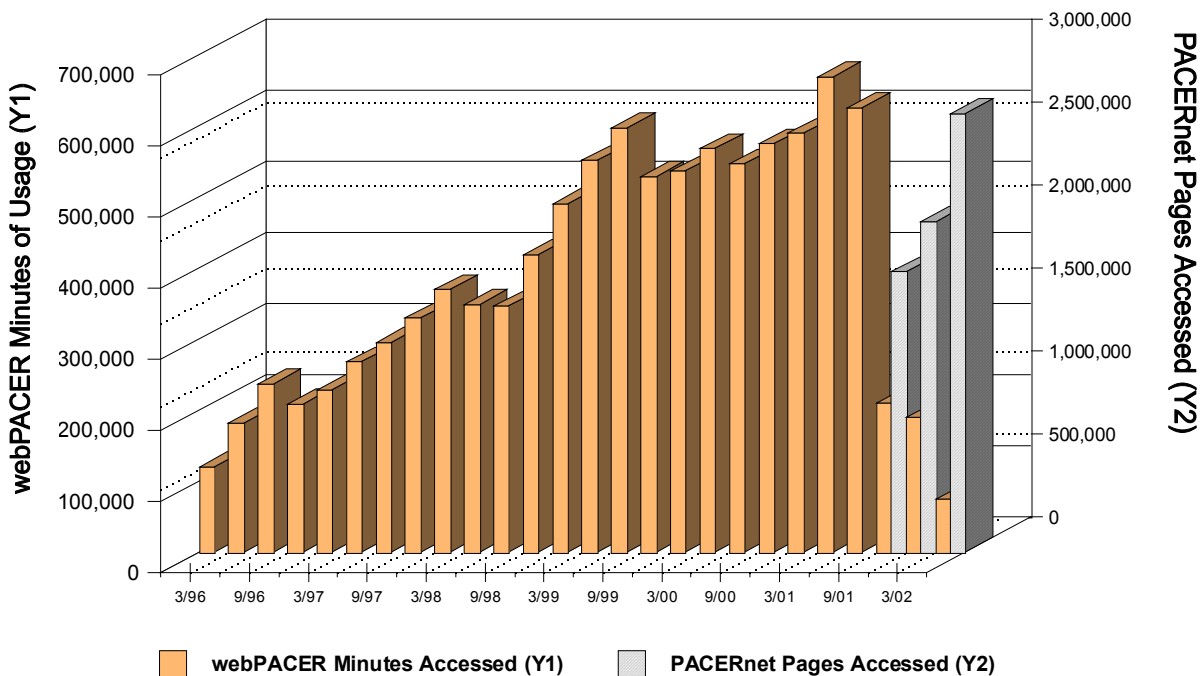
The following figures display the matters assigned to the Mediation Program by chapter, as well as the distribution of mediation matters within the various divisions of the Court. (See Figures 1 and 2, below.)



PACERnet Access to Online Case Files Debuts in the Central District

On July 1, 2001, the public's ability to access online case information through the PACER system expanded with the introduction of PACERnet. PACERnet provides the public with access to the Court's online case file system via the Internet and is an alternative to the older webPACER, a dial-up system. One advantage of the speedier PACERnet system is that it is less expensive to access case files, charging users \$0.07 per page while webPACER charges \$0.60 per minute. Additionally, files can be accessed more quickly since PACERnet is web-based, while webPACER utilizes a dial-up modem to view case files. During the third quarter, the quarter in which the two systems were first made simultaneously available, the two systems generated similar revenue. By the end of the first quarter of 2002, approximately 80% of the billings were from the public's use of PACERnet. It is expected that PACERnet usage will continue to increase as the public becomes more aware of and comfortable with the service.

Figure 3
Central District of California - Bankruptcy Court
PACERnet vs. webPACER Utilization



Voice Case Information System Continues to Provide Information to the Public

The Voice Case Information System (VCIS) is an automated telephone system providing the public with basic bankruptcy case information (i.e., case number, case filing date, chapter, status of case, and asset information) through the use of a touch-tone telephone. This free service is available 24 hours a day, 7 days a week. Due to the increasing popularity of the PACER system, which gives users online access to full case information, usage of VCIS decreased in each of the past two years. During 2001, VCIS received an estimated 438,000 calls, a 19% decrease from the 544,000 handled the previous year. (See Table 4.) However, this decrease was more than offset by the increased usage of the PACER online case information system by the public.

Table 4
Estimated Voice Case Information System (VCIS) Usage: 2000-2001

Division	Total Calls 2000	Total Calls 2001	Number Change	Percent Change
Los Angeles	285,000	195,000	(90,000)	(32%)
Riverside	91,000	90,000	(1,000)	(1%)
Santa Ana	69,000	63,000	(6,000)	(9%)
Northern	31,000	26,000	(5,000)	(16%)
San Fernando Valley	68,000	64,000	(4,000)	(6%)
District Total	544,000	438,000	(106,000)	(19%)

Public Recognizes High Customer Service Levels Provided by Clerk's Office Staff

The 2001 *Customer Service Questionnaire* gave Court staff high marks for competence, courtesy, and efficiency. The purpose of the questionnaire is to gain a user's perspective on the Court's operations. The questionnaire covers topics such as the performance of the Court employee who assisted the customer, the length of the customer's wait, and the appearance of the facility. It also provides customers the opportunity to leave comments and suggestions for the Court's consideration. The following is a breakdown of the results of the 2001 questionnaires:

- Approximately 98% of the respondents rated the "overall service" they received as excellent. "Overall service" includes the courtesy, competence, and speed of the Court employee with whom the customer dealt.
- Nearly 98% of the respondents judged the appearance and the convenience of the facility they visited as excellent.
- Over 82% of the respondents described their wait as short, and 54% indicated that they were served immediately.
- A majority of the respondents (70%) also indicated that they would take advantage of electronic access to the Court (e.g., e-filing, online case access, etc.).

The following table and figures summarize the services used by *Customer Service Questionnaire* respondents, the waiting times encountered, and the types of customers who responded:

Table 5
Customer Service Questionnaire: Services Used in 2001
 (Multiple responses possible)

Intake/Filing Counter	77%
Records	13%
Public Information Office	17%
Courtroom Services	11%
Other	2%



Figure 4
Customer Service Questionnaire: Length of Wait
 (January - December 2001)

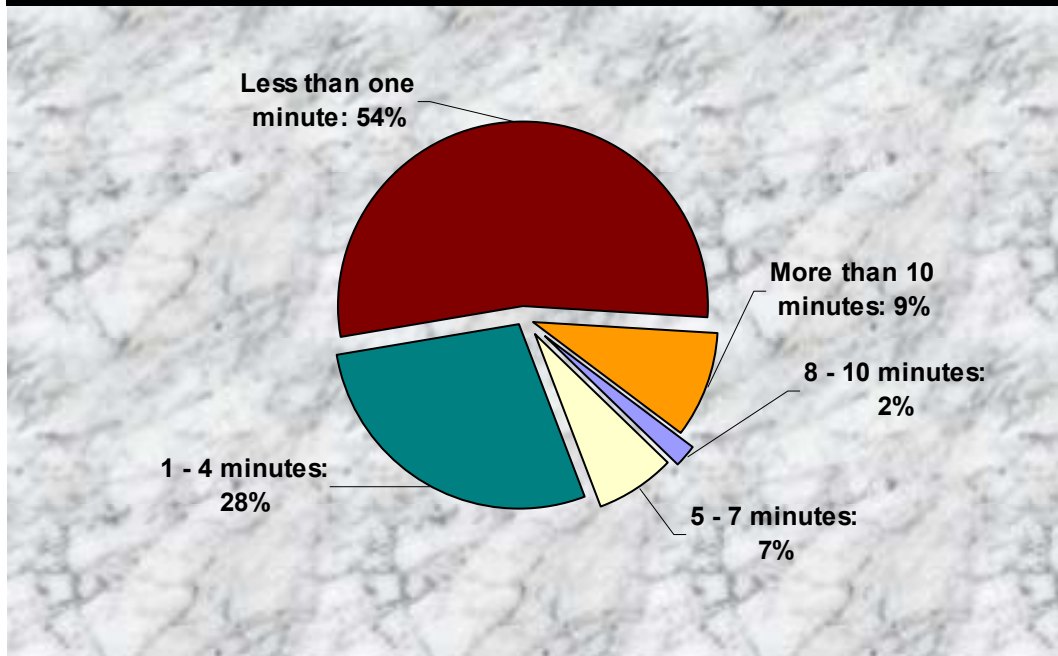
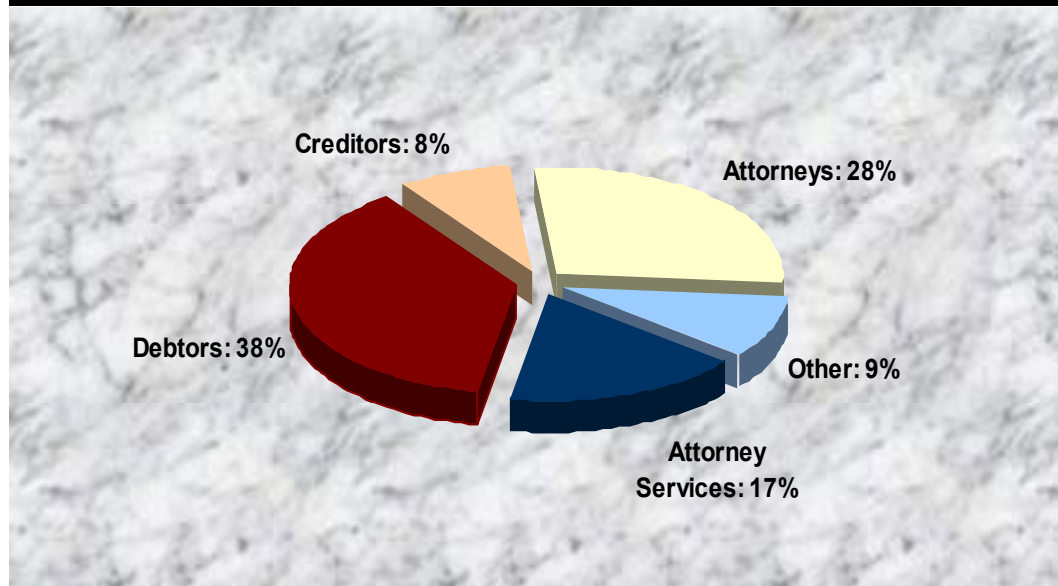


Figure 5
Customer Service Questionnaire: Who Responded
 (January - December 2001)





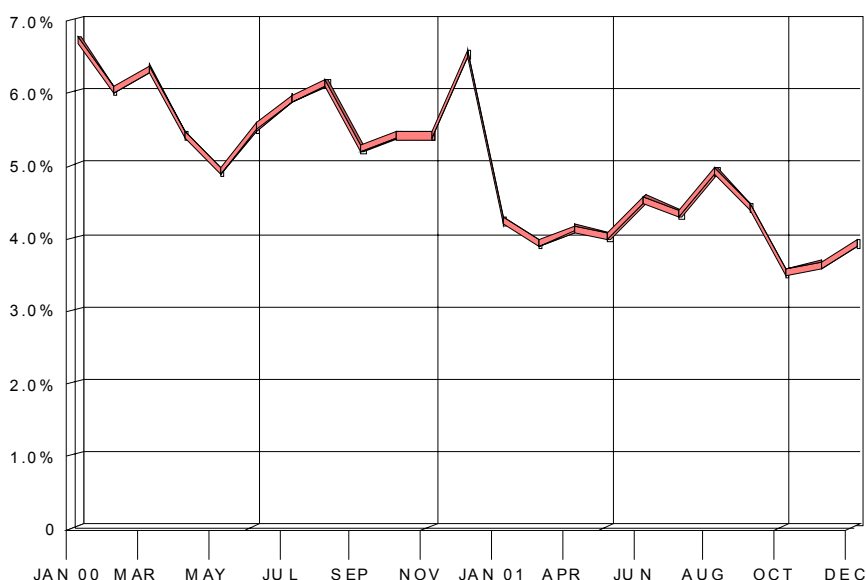
Quality Assurance/Training

Quality Control Efforts Result in Improved Data Entry of New Petitions

The Clerk's Office achieved a 29% reduction in the number of petitions containing a data entry error in 2001, compared to its performance in 2000. This was an impressive achievement given that each petition contains hundreds of characters that must be entered into the Intake Cashiering System (ICS). During 2001, nearly 96% of all petitions were entered into ICS completely error free. The improvement resulted from better data entry procedures implemented during 2001, along with an increased emphasis on quality.

A new version of the automated program used for the quality control of new petition data entry (QC/ICS) was implemented throughout the district in March 2001. The new version of the program is more user-friendly and accurate than the original version. The system has increased reporting capabilities for all new petitions throughout the district, which provides management with information on common input errors. It allows each division to detect and correct any errors prior to entering petition data into NIBS, the case management system, and PACER. It also decreases the amount of time taken to correct errors before information is entered in the case management system. The new automated program resulted in multiple benefits such as saving approximately 40 hours of staff time per month in the review of new petitions, and enhancing customer service by improving the accuracy of petitions. Additionally, the error data collected by QC/ICS enabled management in each division to identify specific areas of weakness and tailor corrective action to address those areas.

Figure 6
Central District of California - Bankruptcy Court
Percent of New Bankruptcy Petitions with Data Entry Errors



Court Continues to Develop Staff Skills

As in years past, the Court continued to emphasize the development of skills in the areas of automation, bankruptcy operations, team building, leadership, and general office skills. During 2001, a total of 10,425 hours of training was provided to staff through 1,579 training sessions and courses. (See Table 6.)



Table 6
District-Wide Training: 2001

Classes		Staff Participant Hours					
Name	Quantity	Total	LA	AS	SA	ND	SFV
SOFTWARE/COMPUTER TRAINING							
Judges/Judicial Assistants Automation (various)	25	150	78	6	54	-	12
Abra ESS	9	45	25	7	6	2	5
QC/ICS	7	130	56	18	20	12	24
Intellitrack	1	1	-	-	-	-	1
Citrix	2	3	-	-	3	-	-
CISCO	2	11	-	-	7	4	-
Lotus Notes	28	200	21	176	3	-	-
Windows XP	1	105	105	-	-	-	-
Java Script	3	42	42	-	-	-	-
Netware	4	8	-	-	8	-	-
Visual Basics	5	360	360	-	-	-	-
PowerPoint	3	136	94	-	42	-	-
SOFTWARE/COMPUTER TRAINING TOTAL	90	1,191	781	207	143	18	42
FJC/RO-SPONSORED PROGRAMS & FJTN PRESENTATIONS							
Leadership for Results	16	150	78	38	24	2	8
Human Resources Benefits and Information (various)	25	263	95	53	42	7	66
How to Think Like Leonardo da Vinci	1	13	13	-	-	-	-
Information Technology Talk	2	10	7	-	3	-	-
Lotus Notes Migration	2	6	4	-	2	-	-
Manager as Writing Coach II	2	12	6	-	-	-	6
Making Your Mark By Proofreading	2	73	60	-	-	-	13
Court Forum: Managing Performance Problems	4	67	26	26	10	5	-
Workshop for the 9th Circuit Judicial Sec's and JA's	4	28	14	14	-	-	-
How Cases Move Through The Bankruptcy Court I-IV	4	69	69	-	-	-	-
Adobe Acrobat Forms, Security and Web Capture	1	1	-	-	-	1	-
FJTN Lotus Notes/ECF	1	2	-	-	2	-	-
FJC/RO-SPONSORED PROGRAMS & FJTN PRESENTATIONS	64	694	372	131	83	15	93
OTHER TRAINING							
On the Job Training/Lunch and Learn	1,334	6,508	271	4,110	1,267	201	659
Simply Grammar	10	298	198	50	14	-	36
Write to the Point	8	222	144	-	42	12	24
Video P/A	6	40	-	-	40	-	-
Time Management	2	27	20	-	-	7	-
Presentation Skills	2	28	14	14	-	-	-
ASPI	1	7	-	-	7	-	-
New Employee Orientation	4	10	6	2	-	-	2
Asset Inventory Procedure Training	3	66	38	5	8	5	10
FERS/CSRS Retirement	14	239	49	120	44	22	4
Video Conferencing	1	3	-	-	-	-	3
Emergency Preparedness/Personal Safety	13	147	39	13	32	-	63
Extern Training	6	276	234	6	6	6	24
Who Moved My Cheese?	3	57	21	-	-	36	-
Clerk's Office Seminar	15	588	315	84	63	42	84
New Financial Administrator	2	16	16	-	-	-	-
Transition and Change	1	8	-	-	-	-	8
OTHER TRAINING TOTAL	1,425	8,540	1,365	4,404	1,523	331	917
GRAND TOTAL	1,579	10,425	2,518	4,742	1,749	363	1,052



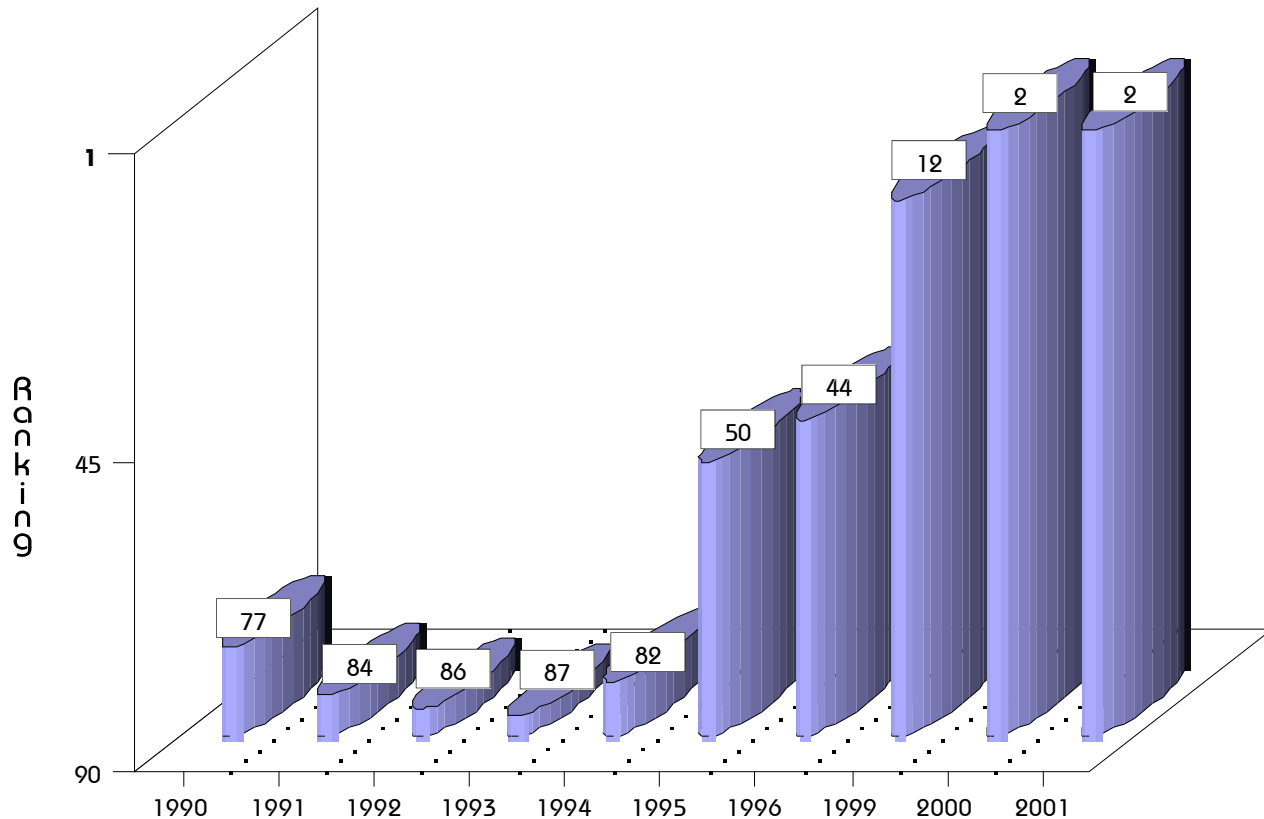
Case Administration

Bankruptcy Court Achieves Extraordinary Improvement in Case Management

The Court ranked second in the nation in case management efficiency for the 12-month period ending December 31, 2001. Based on the 16 measures in the *Bankruptcy Program Indicators* measuring case processing efficiency, the Central District of California Bankruptcy Court continued to rank second nationally out of the 90 courts in the nation. The performance continues a remarkable turnaround which began in 1993, when the Court ranked 87th in the nation.

In addition to providing comparisons with other bankruptcy courts throughout the nation, the *Bankruptcy Program Indicators* are also utilized by the Court to track its case management performance. (See Table 7, next page.) From December 2000 to December 2001, the Court improved or maintained its performance in 9 of the 16 case processing categories measured by the *Bankruptcy Program Indicators*. Further, the Court exceeded or equaled the national average in 15 of the 16 measures. Surpassing the most optimistic projections made just a few years ago, the Court achieved this phenomenal success through effective goal setting, streamlined operations, and the integration of well-designed automation enhancements.

Figure 7
Central District of California - Bankruptcy Court
Case Processing Ranking Out of 90 Districts: 1990-2001*



*No rankings available for 1997 and 1998



Table 7
Bankruptcy Program Indicators
12 Months Ending December 31, 2001

Chapter 7 Cases	National Median	Central District of California			
		2001	2000	1999	1998
Median Disposition Time	3.8 mos	3.6 mos	3.6 mos	3.6 mos	3.9 mos
% Open After 6 Months	12.1%	5.0%	4.9%	5.4%	7.8%
% Open After 12 Months	5.9%	2.1%	1.7%	1.7%	2.3%
% Open After 36 Months	1.2%	0.4%	0.4%	0.6%	1.0%
Average Age of Pending Cases	9.4 mos	5.7 mos	5.3 mos.		
Chapter 13 Cases					
Median Disposition Time	38.1 mos	10.6 mos	10.9 mos	13.5 mos	15.9 mos
% Open After 6 Months	91.1%	58.0%	62.4%	65.6%	81.8%
% Open After 36 Months	40.4%	12.4%	11.6%	14.6%	17.0%
% Open After 72 Months	1.4%	0.4%	0.2%	0.1%	0.1%
Average Age of Pending Cases	22.8 mos	19.3 mos	18.5 mos		
Chapter 11 Cases					
% Open After 48 Months	16.9%	11.6%	13.2%	16.6%	14.8%
Average Age of Pending Cases	25.5 mos	25.5 mos	40.6 mos		
Adversary Proceedings					
Dischargeability (11 U.S.C. § 523) Median Disposition Time	6.0 mos	4.9 mos	5.1 mos	5.6 mos	6.0 mos
Average Age of Pending Cases	9.6 mos	8.5 mos	9.0 mos		
Other than Dischargeability Median Disposition Time	6.9 mos	7.8 mos	7.8 mos	7.2 mos	8.2 mos
Average Age of Pending Cases	14.4 mos	14.3 mos	14.2 mos		



Pending Caseload Remained Low Despite Increase in Bankruptcy Filings

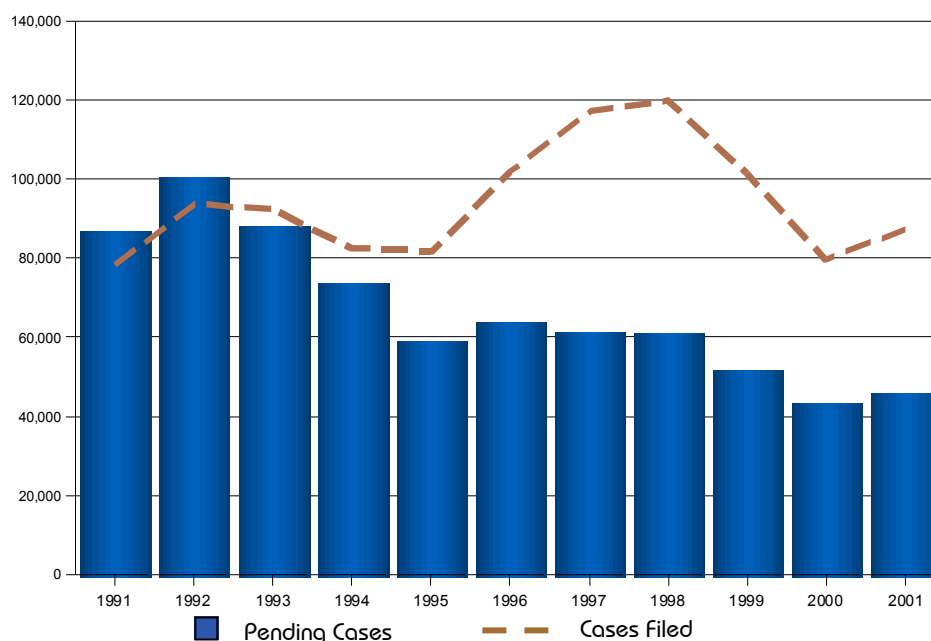
During 2001, the pending caseload for the Bankruptcy Court increased from the record low number of pending cases reached in the previous year. As of December 31, 2001, a total of 46,001 bankruptcy cases were pending, a 5.7% increase from the 43,517 cases pending at the end of 2000. The gain in the number of pending cases resulted from the increase in bankruptcy filings during 2001. However, the percentage increase in the pending caseload was less than the percentage increase in overall filings. (There were 87,374 new filings during 2001 compared to 79,901 filings in 2000, representing a 9.4% increase.)

Not only has the Clerk's Office carefully monitored and controlled the number of pending cases, but the age of the pending caseload has also improved. Compared to 1995, the Court now has remarkably fewer cases that have been open for more than six years. Since 1995 (the first year for which information is available), the Court has made significant reductions in the percentage of older cases that remain pending. (See Table 8, below.) The Clerk's Office staff has made the closing of cases open for more than three years a priority in recent years.

Table 8
Central District of California - Bankruptcy Court
Analysis of Pending Case Aging: 1995 vs. 2001

	Pending Case Aging Category	12/31/95	12/31/01	Percent Change
Chapter 7	Percent ≤ 4 Months	56.4%	81.0%	30.4%
	Percent over 6 Years	4.7%	1.2%	(75.5%)
Chapter 11	Percent over 6 Years	18.5%	9.2%	(50.3%)
Chapter 13	Percent 3 Years or Less	82.2%	81.5%	(.09%)
	Percent over 5 Years	5.0%	1.8%	(64.0%)
Adversary Proceedings	Percent ≤ One Year	64.2%	70.4%	8.8%
	Percent over 3 Years	13.9%	6.6%	(52.6%)

Figure 8
Central District of California - Bankruptcy Court
Pending Caseload vs. Bankruptcy Filings: 1991-2001



Docketing and Imaging Performance Continues to Excel

To ensure efficient case processing and the timely availability of case information to the public, the Clerk's Office monitors the time it takes to enter a document on the bankruptcy case or adversary proceeding docket from the day it is filed with the Court. The outgrowth of this monitoring resulted in the creation of Time-to-Docket goals, which are a series of targets that measure the number of days it takes to docket orders and other items. The attainment of these goals generates a sense of friendly competition between the divisions. During 2001, the Clerk's Office docketed a remarkable 90.4% of the 3,320,023 documents filed with the Court within one day of filing (excluding automated entries), a continuation of the excellent docketing performance achieved in 2000.

Along with docketing statistics, the Court also tracks the time it takes for a document to be imaged from the date it was entered on the case docket. During 2001, 90.1% of all items were imaged within one day of docketing. The timely imaging of documents gives the public timely access to the most recent documents filed in the online case files.



Community Outreach

Court Employees Increase Charitable Contributions

In 2001, Court employees contributed \$49,691 to a number of charities through the Combined Federal Campaign (CFC). This represents a 7% increase from the total contributions pledged in 2000. The CFC, established in 1963, is the only authorized charitable campaign in the federal government workplace. The CFC enables federal employees to contribute money to hundreds of different charities, supporting worthwhile causes throughout the world. The Court also supplies the CFC with a “loaned executive,” who coordinates the campaign with various government agencies in determining and reaching common contribution goals. For 2001, employees were also allowed to contribute to agencies established for those affected by the September 11 terrorist attacks.

Table 9 Combined Federal Campaign (CFC) Program: 2000-2001			
Division	2000 Dollars	2001 Dollars	Percent Change
Los Angeles and San Fernando Valley	\$33,654	\$35,873	6%
Riverside	\$5,933	\$6,332	6%
Santa Ana	\$6,212	\$6,888	10%
Northern	\$756	\$598	(21%)
TOTAL	\$46,555	\$49,691	7%

Caregiver Support Group Continues in Riverside

The Riverside Division continued to hold meetings for the “Caregivers in the Workplace” support group during 2001. The meetings, which started in February 2000, are facilitated by the Inland Caregiver Resource Center (ICRC). The ICRC is a non-profit organization that aids the families of persons with adult-onset brain disorders (e.g., Alzheimers, Parkinson’s disease, Huntington’s disease, Multiple Sclerosis, stroke, etc.). Lunch hour meetings are held once a month and revolve around the discussion of different topics, such as placement issues or the effect of the terrorist attacks. Occasionally, outside speakers are invited to give presentations to the group. The meetings provide an outlet for individuals who care for special-needs family members.

Court Assists Speech-Impaired Debtor

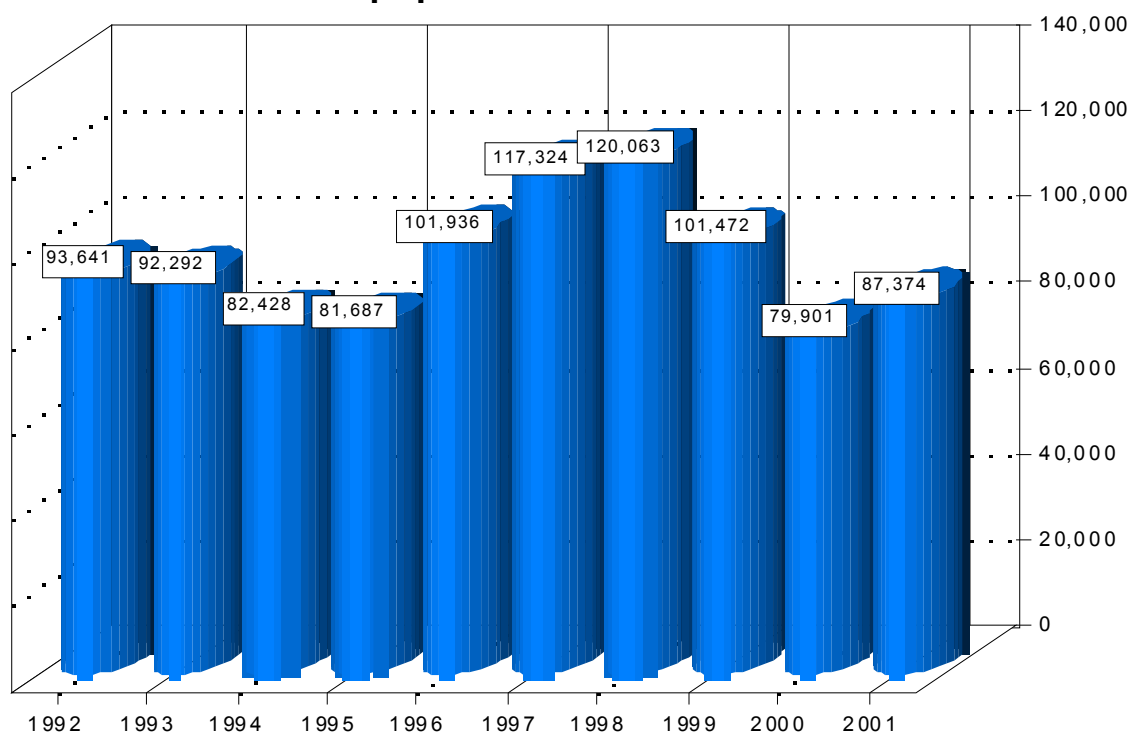
Maintaining the Court’s objective of achieving an impartial environment, special assistance was provided to a speech-impaired debtor to facilitate the debtor’s understanding of and participation in the hearing. A projector was linked to a laptop computer to display text typed by the debtor on a retractable screen in the courtroom. The judge’s extern also read the comments aloud for the record and for improved clarity. The Court also added a new sign language interpreter policy during 2001 to streamline and standardize the process. This situation exemplified the Court’s commitment to assisting physically-impaired individuals involved in hearings.

Bankruptcy Case Filings Increase in 2001

Bankruptcy filings during 2001 increased for the first time in three years. A total of 87,374 new bankruptcy cases were filed in 2001, a 9.4% increase over the 79,901 filings in 2000. The increase in the number of total filings primarily resulted from the increase in chapter 7 filings. Chapter 7 filings increased by more than 14% in 2001, compared to the number filed during 2000. Chapter 11 filings also slightly increased by 1.6%, while chapter 13 filings decreased by 9.6% compared to last year. Adversary filings decreased by 13% during 2001, compared to the previous year. There were 3,996 adversary proceedings filed during 2001, compared to the 4,601 filings during 2000.

The following graph illustrates bankruptcy case filing statistics from 1992 through 2001.

Figure 9
Central District of California - Bankruptcy Court
Bankruptcy Cases Filed: 1992-2001

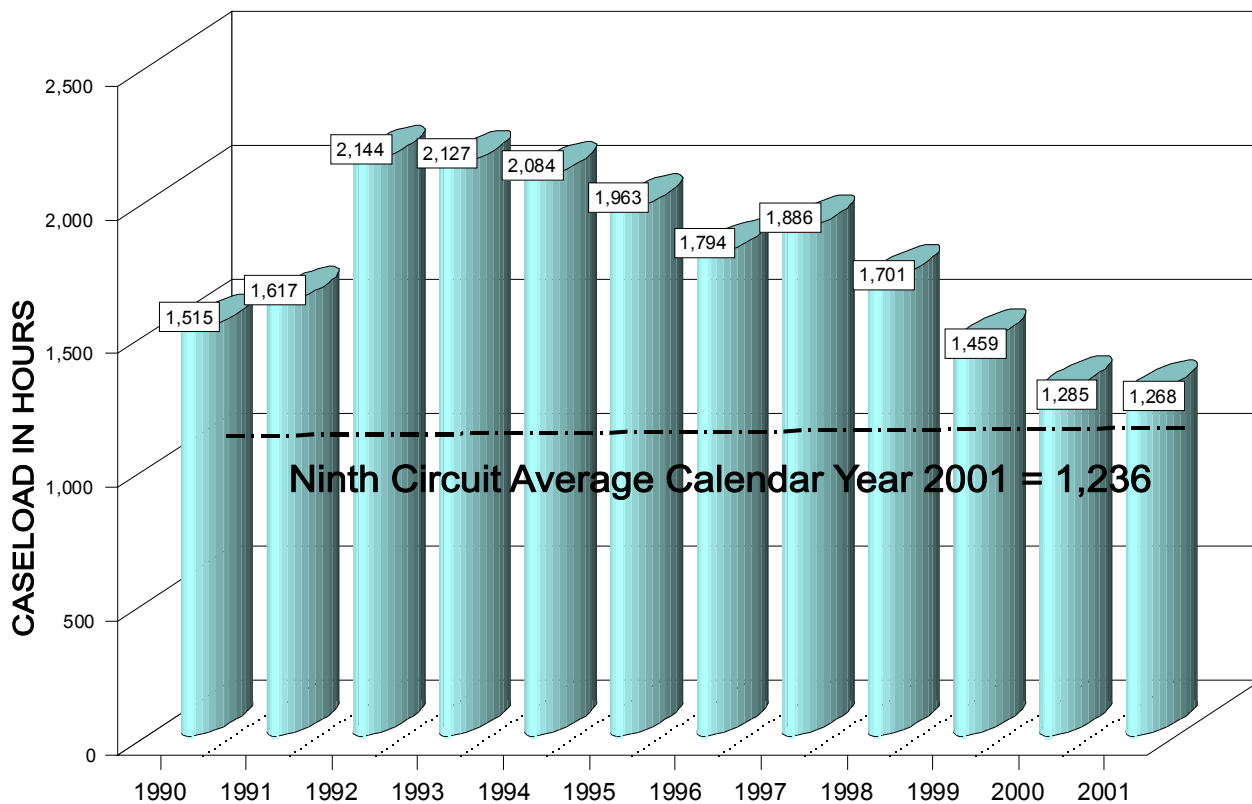




Judge Weighted Caseload Remains Above Ninth Circuit Average

In March 1991, the Judicial Conference approved the bankruptcy case weights developed in the *Bankruptcy Judge Time Study* by the Federal Judicial Center. Initially established primarily for evaluating requests for additional judgeships, the weights also provide useful information about judicial workloads and facilitate judicial workload comparisons with other bankruptcy courts. For the 12 months ending December 2001, the average weighted caseload per Central District bankruptcy judge was 1,268 caseload hours, or 3% more than the 1,236 hour Ninth Circuit average. (See Figure 10, below.)

Figure 10
Central District of California - Bankruptcy Court
Annualized Weighted Caseload per Judgeship: 1990-2001



Bankruptcy Case and Adversary Proceeding Closings

During the year 2001, the Clerk's Office closed a total of 85,126 bankruptcy cases. This slight decrease in closings, when compared to the number of cases closed in 2000, resulted from the increased number of filings in 2001 coupled with the four-month "life" of the average case. During the year 2001, there were 4,484 adversary proceedings closed, which is about 12% higher than the 3,996 adversary proceedings filed during the year.

Figure 11
Central District of California - Bankruptcy Court
Bankruptcy Cases Closed vs. Filings: 1991-2001

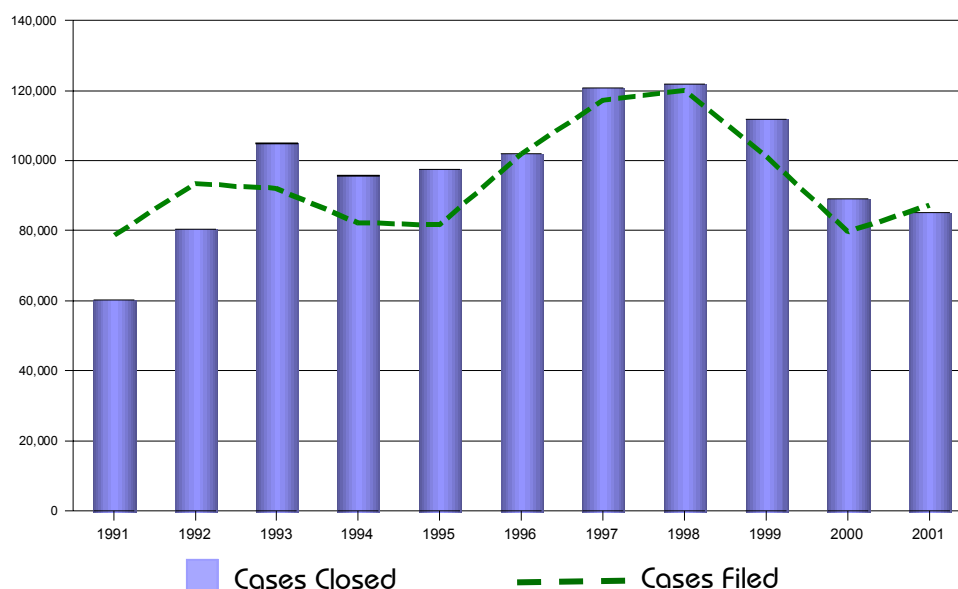
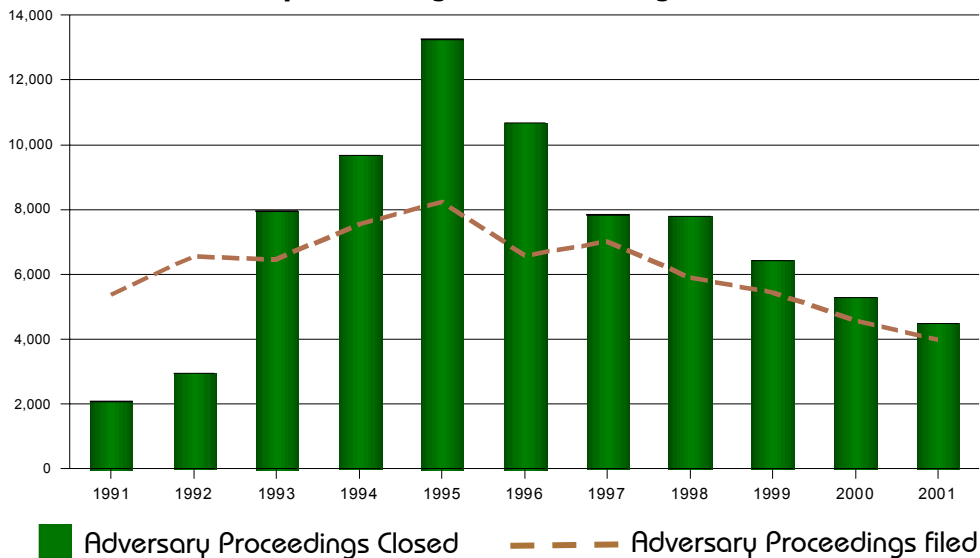


Figure 12
Central District of California - Bankruptcy Court
Adversary Proceedings Closed vs. Filings: 1991-2001





Number of Relief From Automatic Stay Motions Continued to Decrease

The number of motions for relief from the automatic stay filed in the Central District continued to decrease as has been the trend in recent years. During 2001, a total of 16,962 motions were filed in the district, representing a decrease of 5.5% from the 17,940 motions filed in 2000. The decline over the past four years continues to be primarily attributable to the prompt dismissal of incomplete petitions before creditors file a motion for relief from stay.

2001 Unlawful Detainer/Mill Incidence Case Study Completed

The results of the 2001 Unlawful Detainer/Mill Study indicated a further decrease in the number of bankruptcy cases filed to delay evictions during the year. The sample, taken from cases filed in April 2001, indicated that only 2.2% of petitions involved an unlawful detainer (UD) issue. The most common type of UD motions filed was against month-to-month tenants. This is the lowest rate since 1991, when the Court began studying this variable.

Petitions prepared by mills also decreased during 2001. A bankruptcy mill is a non-attorney who files a petition on behalf of the debtor, who is often misled about the petition and the consequences of filing for bankruptcy. Only two cases in the sample were filed by mills, which represented just .02% of the total sample of 1,150 cases, which is also the lowest rate since this study began in 1991.

Table 10
PERCENT OF BANKRUPTCY CASES THAT ARE UNLAWFUL DETAINER FILINGS: 1991-2001

Year	Los Angeles (inc. ND/SFV)	Los Angeles (LA)	San Fernando Valley (SFV)	Northern (ND)	Santa Ana (SA)	Riverside (RS)	District Total
1991	22.4%	*	*	*	10.9%	2.6%	16.9%
1992	12.9%	*	*	*	9.4%	6.4%	11.0%
1993	11.9%	12.8%	*	1.3%	3.2%	1.2%	8.3%
1994	13.3%	14.5%	12.4%	7.0%	4.0%	2.3%	9.5%
1995	3.2%	3.5%	4.2%	0.2%	1.4%	3.6%	3.0%
1996	10.9%	11.2%	121.7%	3.6%	2.2%	7.3%	8.8%
1997	10.4%	10.2%	12.8%	5.4%	6.9%	1.2%	8.0%
1998	9.0%	10.2%	7.4%	3.3%	3.8%	3.7%	7.1%
1999	6.6%	6.8%	6.8%	3.5%	4.6%	2.4%	5.4%
2000	4.8%	3.4%	7.6%	9.8%	8.3%	11.9%	8.5%
2001	2.9%	3.2%	4.0%	.7%	.8%	1.6%	2.2%

* Included in the Los Angeles Division numbers.

Table 11
ESTIMATED ANNUAL UNLAWFUL DETAINER FILINGS: 1991-2001

Year	Los Angeles (inc. ND/SFV)	Los Angeles	San Fernando Valley (SFV)	Northern (ND)	Santa Ana	Riverside	District Total
1991	11,152	*	*	*	1,298	382	12,832
1992	7,602	*	*	*	1,307	1,170	10,079
1993	6,860	6,804	*	56	436	225	7,521
1994	6,604	4,931	1,292	381	512	390	7,506
1995	1,607	1,167	429	11	182	656	2,446
1996	6,907	4,792	1,926	189	337	1,621	8,865
1997	7,639	5,022	2,265	352	1,408	271	9,318
1998	6,877	5,355	1,321	201	659	949	8,485
1999	4,383	3,204	1,014	165	584	518	5,485
2000	2,439	1,223	881	362	813	2,244	5,523
2001	1,775	1,247	487	41	852	344	2,971

* Included in the Los Angeles Division numbers.

***Pro Se* Filings**

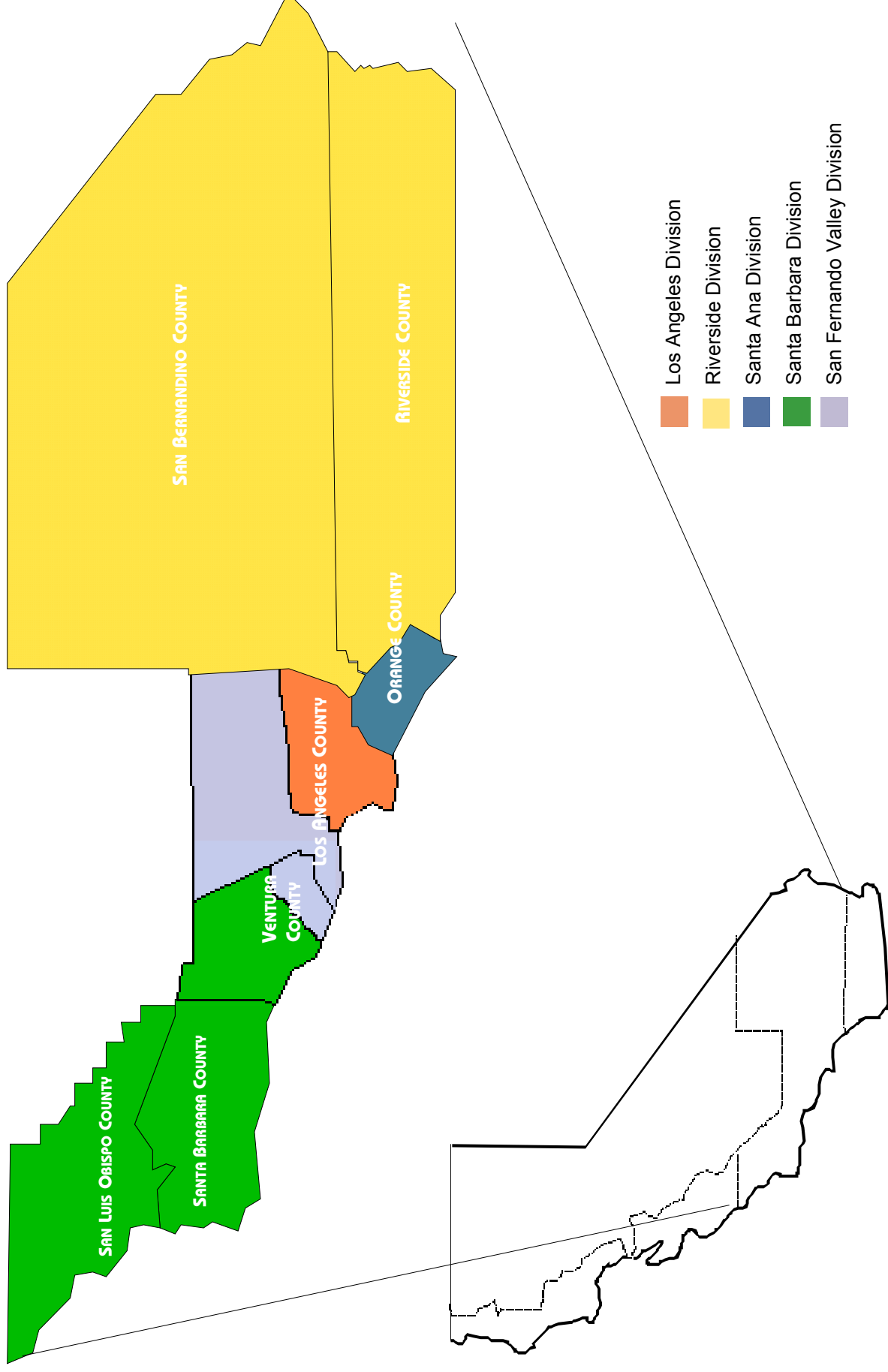
The number of debtors filing cases *pro se* increased for the first time since 1997. The number of debtors filing *pro se* (i.e., filed by an individual not represented by an attorney) increased by 4% in 2001 from the previous year. From 1994 through 2001, the number of chapter 7 and 13 cases filed *pro se* averaged about 33%, one of the highest rates in the country. The following table shows the estimated number of *pro se* filings from 1994 through 2000. The number of *pro se* filings is significant because it adversely impacts the judicial and Clerk's Office workloads.

Table 12
Central District of California - Bankruptcy Court
ESTIMATED PERCENTAGE OF *PRO SE* FILINGS DISTRICT-WIDE: 1994-2001

Year	Chapter 7	Chapter 13	Total
1994	40%	44%	42%
1995	36%	35%	36%
1996	35%	38%	36%
1997	37%	37%	37%
1998	32%	32%	32%
1999	33%	29%	31%
2000	27%	19%	24%
2001	29%	24%	28%
Average	34%	32%	33%

UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA



A Brief History of the Bankruptcy Court



The first system of federal courts west of the Rocky Mountains was created with the establishment of the Ninth Circuit in 1848. Some other milestones are listed below.

- 1850** The State of California was admitted to the Union.
- 1850** The Southern and Northern Districts of California were created.
- 1898** The Bankruptcy Act of 1898 gave district courts exclusive jurisdiction over bankruptcies.
- 1900** Congress divides Southern District of California into two divisions: Northern Division, meeting in Fresno, and the Southern Division, meeting in Los Angeles and comprised of the counties of San Luis Obispo, Santa Barbara, Ventura, San Bernardino, Los Angeles, Riverside, Orange, Imperial, and San Diego.
- 1929** Congress adds a third division to Southern District. The designation of Los Angeles was changed from Southern to Central Division, and the San Diego court is designated the new Southern Division of the Southern District.
- 1957** A divisional bankruptcy office was opened in San Bernardino.
- 1959** A divisional bankruptcy office was opened in Santa Ana.
- 1966** California was divided into four judicial districts: the Central Division in Los Angeles becomes the Central District; the Southern Division in San Diego becomes the Southern District; the Northern Division in Fresno become the Eastern District; and the Northern District remains in San Francisco.
- 1978** The Bankruptcy Reform Act of 1978 passed by Congress.
- 1984** The Bankruptcy Amendments and Federal Judgeship Act becomes law.
- 1986** Bankruptcy Judges, United States Trustees, and Family Farmer Act passed.
- 1992** Congress passes act establishing three divisions in the Central District of California.
- 1992** A divisional bankruptcy office was opened in Santa Barbara.
- 1992** The Los Angeles Division begins moving into the newly constructed Roybal Federal Building and Courthouse.
- 1994** Bankruptcy Reform Act of 1994 enacted.
- 1996** A divisional bankruptcy office was opened in the San Fernando Valley.
- 1997** The San Bernardino Division becomes the Riverside Division by relocating to a new courthouse in that city.
- 1999** The Santa Ana Division relocates to the new Ronald Reagan Federal Building and United States Courthouse.



Population Served

With a population of more than 17.5 million people, the Central District represents slightly more than 50% of California's population of nearly 35 million people. Based on projections by the Demographic Research Unit of the California Department of Finance, the Central District of California is home to four of the six most populous counties in California (Los Angeles, Orange, San Bernardino and Riverside) and two of the six most populous counties in the United States (Los Angeles and Orange).

The following table details changes in population for the Central District of California from 1991 to 2001 compared to the number of bankruptcy cases filed in 1991 and 2001.

Table 13
Change in Population and Bankruptcy Filings: 1991 vs. 2001

CENTRAL DISTRICT OF CALIFORNIA COUNTIES	POPULATION			BANKRUPTCY FILINGS		
	1991	2001	% Chg	1991	2001	% Chg
Los Angeles	9,200,400	9,802,780	6.5%	51,369	55,242	7.5%
Ventura	687,200	773,539	12.6%			
Santa Barbara	382,800	408,855	6.8%			
San Luis Obispo	224,700	252,067	12.2%			
Orange	2,484,500	2,925,741	17.8%	12,368	10,649	(13.9%)
Riverside	1,249,400	1,609,356	28.8%	14,926	21,483	43.9%
San Bernardino	1,500,400	1,764,334	17.6%			
District Total	15,729,400	17,536,672	11.5%	78,663	87,374	11.1%

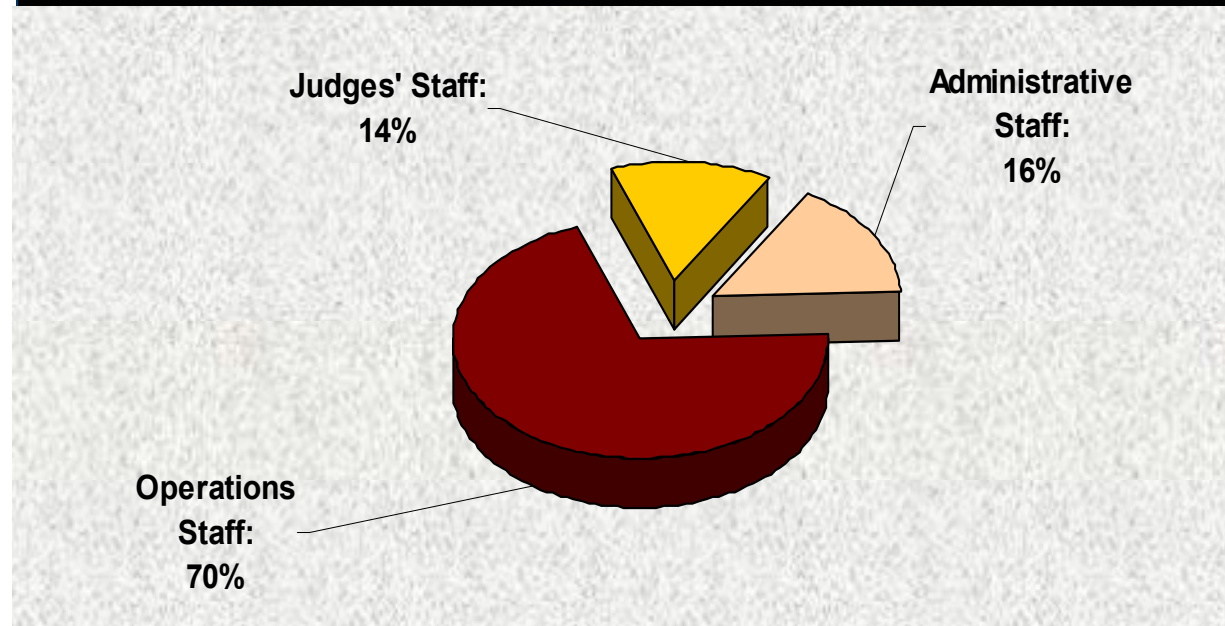
Personnel

A total of 433.5 full-time equivalent employees (including judges, judges' staff, and the Clerk's Office) were on the payroll of the Bankruptcy Court in the Central District of California as of December 31, 2001.

The following chart displays the allocation of Central District personnel. The majority of staff work in Clerk's Office operations (70%). Operations includes the staff of the Case Initiation, Courtroom Services, and Analysis & Information Departments. Another 16% of the Court's personnel consists of administrative staff, which includes the Executive Office, Court Resources, Financial Services, Information Technology, Office Services, and Space Planning. The judges' staffs, including law clerks and judicial assistants, comprise the remaining 14% of the total. (See Figure 13.)

The majority of employees work in Los Angeles (55%), followed by Riverside (18%), Santa Ana (12%), the San Fernando Valley (11%), and the Northern Division (4%).

Figure 13
Bankruptcy Court Personnel
(December 31, 2001)



Receipts



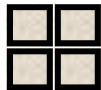
In fiscal year 2001 (FY01), the Court collected \$25,641,340 in fees, compared to \$22,343,390 collected in FY00 and to \$25,741,401 collected in FY99. The Court collects fees in 13 fund areas including: filing fees, bankruptcy noticing fees, copy fees, unclaimed funds, and fees for other services rendered.

The following table compares the money collected in the seven largest funds for FY99, FY00 and FY01.

Table 14 Monies Collected in the Seven Largest Funds FY99-FY01				
FUND NAME	FY99	FY00	FY01	% Change FY01 vs FY00
Funds Associated with Filing Fees:				
Filing fees (086900)	\$3,509,902	\$2,948,299	\$2,970,692	0.76%
Fees for Bankruptcy Notices (092037) ¹	\$3,205,075	\$2,543,023	\$262,638	(89.67%)
Fees for Bankruptcy Oversight (5073XX)	\$3,437,714	\$3,546,295	\$3,832,960	8.08%
Bankruptcy Escrow Account (6855TT)	\$5,380,150	\$4,174,217	\$4,291,839	22.82%
Fees for Judicial Services (510000)	\$6,612,692	\$5,899,472	\$8,341,262	41.39%
Payment of Unclaimed Monies (6047BK) ²	\$6,612,692	\$2,932,277	\$5,732,958	95.51%
Remaining Funds	\$3,254,480	\$299,807	\$208,991	(30.20%)
TOTAL	\$25,741,401	\$22,343,390	\$25,641,340	14.76%

¹ The 89.67% decrease for bankruptcy notices (fund 092037) and the increase of 41.39% for judicial services (fund 510000) resulted from a required change in the accounting of the \$30 administrative fee received for each petition. Effective November 13, 2000, the Court accounted for this fee in fund number 510000 rather than fund number 092037.

² The 95.51% increase in unclaimed monies (fund 6047BK) is primarily due to a deposit of \$3,286,250 in connection with Bullion Reserve of North America, case number LA 83-18026BR.



Space and Facilities

The Bankruptcy Court rents approximately 459,064 square feet of space from the General Services Administration (GSA). (GSA is the landlord for all government owned and leased space.) GSA's responsibilities include rent negotiations, lease awards, tenant improvements and alterations, and daily maintenance. The graphs below delineate the square footage of space rented for each division and the percentage of space district-wide used for courtrooms, judges' chambers, office space, conference and training rooms, and miscellaneous space (which includes restrooms, hallways, and storage space).

Figure 14
Square Footage By Division
Central District of California (2001)

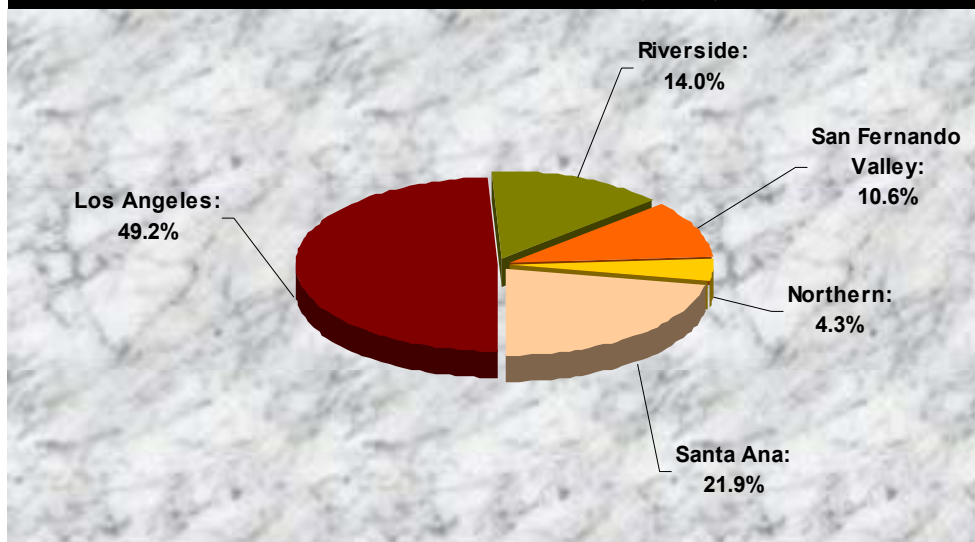


Figure 15
Facilities Make-Up
Central District of California (2001)

